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18th LEGISLATIVE DISTRICT

2006 Session Review

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Legislative information on the Internet:

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Dear Friends,

I hope you can take a few minutes to read this brief report on the 2006 legislative session. If you've seen my earlier reports you'll know my number one priority is to make our area more attractive to employers so we can get people back to work. It's critical that Southwest Washington share in the economic upswing we're seeing elsewhere in the state.

When both sides of the aisle worked together this session we made some decisions that should help employers survive and grow. However, when it acted on its own the legislative majority tended to miss opportunities, in more areas than just economic development. Time after time, bills that would have resolved important issues – such as enacting consistent, tough penalties for sex predators or improving access to health care coverage – were put aside in favor of less effective legislation or just plain put aside. Even my tsunami-shelter safety measures were completely ignored.

Also, when talk of a revenue “surplus” started buzzing around the Capitol, I determined that the safest place for tax money is in the hands of the taxpayers — like you! And, as you'll read, it sure proved to be true.

Because this is an election year for all 98 seats in the House, state law limits me to this one report until after the election. Fortunately, the law allows me to still answer specific questions, so keep the e-mails, letters and phone calls coming! Also, **I'll be out in our district this summer and fall and would be delighted to meet and speak with you.** Be sure to contact me if you think I can help you with an issue or concern involving state government.

Sincerely,

Ed Orcutt

Helping employers helps families

More jobs equals a better outlook for working families, and the better the economy, the more revenue that is available to pay for important government services like schools, health care, roads, and prisons. I'm a strong believer in using tax policies, like tax incentives, to encourage job growth.

This year, with state revenues **\$1.6 billion** ahead of expectations, the Legislature could have repealed every one of the nearly half-billion dollars in tax increases adopted by the majority party in 2005. But in the end, less than \$50 million in tax relief was approved this session – a fraction of what should have been granted. And that was more than canceled out by another tax increase! \$1.6 billion in the bank and they **RAISED** taxes!? The governor and legislative leaders from her party refer to tax credits as spending — But I say, if we aren't taking it from you, we aren't spending it!

The Legislature could have done so much to ease the tax burden on our employers, like make timber harvesters exempt from the sales and use tax on non-highway diesel – the same relief food growers received this year. Fortunately, there is good news for our district – two of the tax changes made this session directly benefit Southwest Washington. The business and occupation tax rate is reduced more than one-quarter percent for **manufacturing and wholesaling of wood products**, through the Senate version of legislation which I sponsored: House Bill 3286. And House Bill 3190, which I also sponsored, will provide **tax incentives to the semiconductor cluster** in our state to help preserve the good jobs that have come to Clark County.

The unemployment insurance reforms that were adopted in 2003 but repealed in 2005 were partially restored this session, returning some stability to a tax system that represents one of the bigger costs of doing business.



The death tax hangs on

Washington’s year-old death tax continues to live despite my efforts to repeal it. My bill to do away with the tax died in the House Finance Committee, where I am Republican leader. It died because the chairman would not give the bill a public hearing. So I forced a House vote on a motion to move a new, identical measure forward. It failed on a near party-line vote.



I’m not content to let small businesses die from having to liquidate their assets to pay one of the most punitive death taxes in the nation. I believe heirs should be allowed to keep their relative’s business in tact — and keep jobs in Washington. And I feel we should live up to the intent expressed by the voters of Washington 25 years ago when they approved Initiative 402.

The death tax should be repealed for the sake of our economy and the small family-owned businesses like commercial printing shops or other enterprises that have millions tied up in property and equipment but little cash to pay the tax. I would have welcomed a committee hearing on my tax repeal bill (House Bill 2841) just to let our employers again explain the risks they face because of the death tax.

Had my legislation been adopted, we would have allowed \$137 million to remain in Washington’s economy. Instead, the majority party **decided to keep its hands on all that money.**

The largest spending increase in state history

When the 2005-07 budget and its 12 percent spending increase came for a vote last year, we were told what a great budget it was. But apparently the opportunity to increase spending by an additional 5 percent was too tempting. This year, when all the Legislature needed to do was adopt a supplemental budget to adjust for expenses that couldn’t be anticipated – like higher school enrollments – the majority party did a complete rewrite that lifted spending to *17 percent* more than in 2004.

Don’t get me wrong: the budget does some good things, like cover the projected costs of tougher laws against sex offenders (more on that in next column). But it burns through virtually all of the \$1.6 billion in unanticipated revenue, confirming my belief that **your money is safer in your hands than it is in govern-**

ment’s hands. It grants relatively little tax relief while shifting hundreds of millions into new, earmarked accounts that may result in unreasonable expectations. And this budget was negotiated completely out of view of the public and fiscal leaders like me on my side of the aisle.

I was among those who publicly questioned details of the budget (like counting more than \$900 million as “spent” and “saved” at the same time). As a reward, we were given a list of words and phrases we couldn’t use in communicating about the budget to our constituents — and our news releases about the budget proposal had to pass by a censor!

Look at a chart of state spending and you’ll see a *\$10 billion* rise over *10 years* — but then another *\$4 billion* jump in just *two years* between the budget adopted in 2004 and the budget approved this session. That’s just not sustainable, and it’ll be up to the incoming Legislature to get our state back on the right track.

Protecting children and families

The interest in clamping down on child rapists was evident on the session’s opening day. In the end, the Legislature **passed more than a dozen bills related to sex offenders**, two of which were particularly newsworthy. One makes 25-year prison terms mandatory for certain sex crimes against children, while the second makes permanent the law allowing “community protection zones” to be created around schools, to keep the worst of the worst sex offenders from taking up residence nearby.

I was also encouraged by the passage of what’s known as the “felony DUI” bill. Ours is one of the few states that still considers every DUI arrest a misdemeanor. After the new law takes effect next year, a fifth DUI arrest within 10 years will be charged as a felony.

Looking after our natural resources

Being a leader on the House Finance Committee puts me in a good position to work for taxpayer protections. Serving on the House Natural Resources, Ecology and Parks Committee recently had me working to protect other residents of the 18th Legislative District: elk in northeast Cowlitz County.

A constituent alerted me that a high number of elk were dying in the state’s Mount St. Helens Wildlife Area. After I saw video proof, I went to the area to investigate. What I saw was a heart-breaking scene: numerous elk carcasses, even a calf elk so emaciated it could not stand much less run away as I approached.

As you might expect, the Fish and Wildlife folks went on the defensive when I criticized their game management abilities and called for their director to lose his job. **Our district has some of the finest hunting, fishing, and watchable wildlife anywhere, and I want to keep it that way.** The resource must be managed — not ignored!